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HEALTHY FAMILIES STATE PLAN HEADS TO THE FEDS

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SACRAMENTO - California Health and Welfare Secretary Sandra R. Smoley and State Health Director Kim Belshé today announced that the state of California has submitted the implementation plan for its Healthy Families program to the federal Health Care Financing Administration (HCFA). Healthy Families is a comprehensive, affordable private health insurance plan for California's low-income, uninsured children.

"We've worked diligently with state and local officials, agencies, health organizations and local communities to design the best plan possible for eligible families," said Smoley. "What we've created is a private health insurance system that is affordable, flexible and accessible to low-income families."

HCFA has 90 days to review the state plan and will work with the California Department of Health Services to address any questions or concerns about the plan. Once approved, pre-enrollment can begin in early 1998 and services will be available to children by next July.

Healthy Families will offer an estimated 580,000 low-income children, ages 1 through 18, a comprehensive benefits package, including health, dental and vision care. The program will provide coverage through two options: 1) enrolling children in a purchasing pool through which families can select a health plan for their children; or 2) issuing insurance purchasing credits to enable families to pay for the costs of employer-based dependent coverage.

To qualify, family income must be at or below 200 percent of the federal poverty level, families must be ineligible for free Medi-Cal coverage and eligible children must have been uninsured for three months prior to application date. Families purchasing coverage for their children will fill out a simple, mail-in application and select a plan from several available in their community. There is a nominal monthly premium based on income and \$5 copayments for most outpatient services, except for prevention services.

"This unique health program will offer low-cost health insurance to a large segment of California children often overlooked in the past. These are the children whose parents don't earn enough to afford private health insurance, but earn too much to qualify for no-cost Medi-Cal," Belshé said.

In addition to the Healthy Families program, the state plan includes significant reforms to the Medi-Cal program, including a one-month "continued eligibility" for Medi-Cal enrollees who lose their eligibility due to increases in family income; an "asset disregard" for children to ensure that Medi-Cal eligibility is determined solely on the basis of family income, not family assets; and accelerated Medi-Cal coverage for all children ages 14 through 18 whose family income is below 100 percent of the federal poverty level.

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